BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION)
OF DELMARVA POWER & LIGHT COMPANY,)
EXELON CORORPATION, PEPCO HOLDINGS) PSC DOCKET NO. 14-193
INC., PURPLE ACQUISITION CORPORATION,)
EXELON ENERGY DELIVERY COMPANY, LLC)
AND SPECIAL PURPOSE ENTITY, LLC)
FOR APPROVALS UNDER THE PROVISIONS	
OF 26 Del. C. §§ 215 AND 1016)
(FILED JUNE 18, 2014))

INTERVENOR JEREMY FIRESTONE'S SECOND MOTION TO COMPEL DISCOVERY

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Intervenor Jeremy Firestone hereby moves the Senior Hearing Examiner to compel answers to admissions, answer to interrogatories and production of documents from Delmarva Power & Light Company ("Delmarva"), Pepco Holdings, Inc. (PHI), Exelon Corporation ("Exelon), Exelon Energy Delivery Company, LLC, ("EEDC") and Special Purpose Entity, LLC, ("SPE") (collectively, "Joint Applicants") which were served upon them on August 29, 2014. In support of its Motion, the following is provided:

Background

- 1. On July 27, 2014, the Movant, Jeremy Firestone, filed a timely Petition to Intervene
- 2. By email dated July 28, 2014, Todd Goodman, on behalf of the Joint Applicants, stated that they did not object to my Petition.

- My Petition was further discussed at the Scheduling Conference held on July 30,
 2014. Ultimately no objection was maintained. Significantly, the Joint Applicants did not request that my intervention be limited in any way. At the Scheduling
 Conference, my Petition to Intervene was granted orally.
- 4. On August 5, 2014, by Order No. 8603, the Senior Hearing Examiner granted my Petition to Intervene. The order provided that I, and others who had also sought intervention, were granted status broadly as "parties of record." (Paragraph 3). The only limitation placed on our interventions was that they were based on the then current posture of the Docket, including prior Commission orders and the July 31, 2014, "Revised Merger Schedule," a schedule whose construction I participated in during the July 30, 2014 Scheduling Conference. The Joint Applicants did not seek Commission review of that Order.
- On July 31 2014, I timely filed my Initial Phase Interrogatories and Requests for Production of Documents.
- 6. On or about August 6, 2014, I met with Thomas McGonigle and Todd Goodman, cocounsel for the Joint Applicants regarding my discovery requests. At that time I agreed to withdraw several discovery requests without prejudice and the Joint Applicant's co-counsel agreed they would not later interpose an objection in subsequent discovery phases that discovery related to the withdrawn requests was not follow-up discovery. We also agreed to limiting language in Interrogatory 28 and in Request of Production of Documents 2.
- 7. As initially drafted, Interrogatory 28 provided

Identify each person who participated in, supplied information to, or assisted the person verifying the answers to these interrogatories and requests for production of documents, including those person(s) who have provided information for such answers, stating with specificity the answer(s) involved.

The agreed upon limitation was to only require the identification of those persons who participated in, supplied information to, or assisted "in a material way." The agreement was explicitly premised on co-counsel's representation that they would identify at least one individual for each and every interrogatory response, which in each case would include an individual who filed pre-filed testimony.

8. Request for Production 2 was modified and agreed to by the Joint Applicants and me as follows:

Produce a copy of the CV or resume of each person who is (a) Identified as a respondent to a data request but is not a Witness sponsoring prefiled testimony and (b) a witness who is sponsoring prefiled testimony but did not include a CV.

- 9. The Joint Applicants timely filed responses; however, may responses were nonresponsive or otherwise inadequate, while others the Respondents simply chose not to respond to despite (a) a Scheduling Order that required all blanket objections to have been made earlier and (b) the fact that they had previously agreed with me that they would respond, including Interrogatory 28 and Document Production 2, which I had agreed to modify in an accommodation to the Joint Applicants.
- 10. As a result of the Joint Applicants tactics, on August 21, 2014, I filed Jeremy Firestone's First Motion to Compel. That Motion has not been acted on to date. I incorporate it, any documents attached thereto, and the August 26, 2014 Reply, by reference, into the present Second Motion to Compel.

- 11. On August 29, 2014, I timely filed my Second Discovery Request, which included Requests for Admission, Interrogatories and Requests for Admissions, which is attached hereto, as Exhibit A.
- 12. Included in that Second discovery request was Interrogatory 41, which was modeled on the First Discovery Request Interrogatory 28 that as noted above was agreed to by counsel by the Joint Applicants. The only changes that I made were to make it as explicit as possible that I sought the identify not of a corporation but of a natural person and that I sought the identity of both sponsoring witnesses and those other individuals that participated in a discovery response in a material way and to reference "requests for admissions," as that discovery tool was not included in the first discovery request.

Identify each person, including natural person, who in a material way participated in, supplied information to, or assisted the person verifying the answers to or signing the answers to admissions, answers to the interrogatories and requests for production of documents, including those person(s) who have provided information for such answers and those persons who are sponsoring an answer, stating with specificity the answer(s) involved.

- 13. It also included Request for Production 2 that was taken from the earlier agreed to Request for Production from Firestone's First Set of Discovery Requests.

 Interestingly, the Joint Applicants do not object to this request (at least at this time), but have not yet withdrawn their objection and responded to the first discovery request.
- 14. On September 3, the Joint Applicants filed objections to Firestone's Second Set of Discovery Requests. In so doing they made several general objections that were not directed to any specific Request for Admission, Interrogatory or Request for

Production of Documents, along with specific objections. The general objections are that the discovery:

- a. does not constitute follow up discovery
- b. is overly broad and unduly burdensome
- c. is outside the scope of the limited intervention granted to intervener Firestone.
- 15. The Joint Applicants also made numerous objections to specific discovery requests including overbroad, unduly burdensome, and relevancy. On a number of occasions they nonetheless indicated that notwithstanding those objections they would respond. The approach taken is not in conformity with the Scheduling Order, which sought only blanket objections at this time. The Joint Applicants' departure from the Scheduling Order has placed an undue burden on me (and hence the Hearing Examiner) to consider all sorts of objections now in a prima facie-like stance rather than as applied, with the substantive responses providing context.
- 16. One might have a modicum of sympathy for the Joint Applicants and their decision to depart from the Scheduling Order and take a kitchen-sink approach to the present discovery requests in light of the ongoing earlier discovery dispute. That dispute, however, centers not on a failure to make early objections (although given the central core of the dispute it is at issue), but on the Joint Applicants' outright repudiation of an agreement it made to respond to an agreed-list of discovery inquiries, including discovery requests where language was modified to accommodate at the request to meet their concerns.
- 17. After the close of business on September 4, the Joint Applicants filed an "amended/corrected" set of objections. Thus, they were not filed effectively until the

very same day that I am required to file this motion. Given the lack of time, and the fact that the Senior Hearing Examiner has yet to accept the September 4 version in substitution, I reproduce relevant portions below of the September 3 version. Where I found obvious errors, I treat them as if the proper words were used when address the Joint Applicants' answers.

Argument

General

- 18. To begin with, it is difficult to articulate with precision why the Joint Applicants' general objections fail because the Joint Applicants' do not detail, for example, which discovery requests they allege do not follow earlier discovery and which discovery requests they claim are outside my allegedly limited intervention. Certainly, the Joint Applicants have to do more than wave the flag.
- 19. That said, I stand on my earlier argument set forth in support of Firestone's First

 Motion to Compel, regarding limited intervention, relying primarily on the fact that

 (a) no limitation was set forth in the grant of my status as a party; (b) no limitation is

 provided in the discovery scheduling order; and (c) even if there was some limitation,

 my requests fall within any such limitation as envisioned by the Joint Applicants.
- 20. Regarding the general issue of whether the second discovery request follows the first set of discovery requests, that is made difficult not only by the lack of particularity of the Joint Applicants' allegation, but by the Joint Applicants' own failure to comply with the first discovery request, failing to comply with both interrogatories and requests for production of documents. Thus, the second set of discovery requests had to be formulated in partial darkness as they attempted to get information on the same

concerns through different means (e.g., requests for admissions) given the Joint Applicants' non-responsive responses or failure to respond to the earlier discovery request.

- 21. The focus of Jeremy Firestone's First Set of Discovery Requests, included:
 - a. Wind general, Interrogatories (I) 1 and 3
 - b. Offshore Wind Power, Request for Documents (RFD) 4(a-h) and RFD 5
 - c. Solar General, I 1 and 3
 - d. Other renewable, I 3
 - e. Renewable Portfolio Standards (RPS)/Renewable Energy Credits (RECs), I 3 and 4 and RFD 4(n-o).
 - f. Wind Production Tax Credit (PTC)/Wind Investment Tax Credit (ITC), RFD 4(q-r).
 - g. Wind and Solar Power's effect on price, Request for Production Documents (RFD) 4(j).
 - h. Transmission and the Grid,
 - i. Grid, RFD 4(i)
 - ii. Smart grid/Microgrid, I 8
 - iii. Cost allocation to transmission, RFD 4(u)
 - i. Energy Efficiency, I 13
 - j. Storage, I 2 and 8
 - k. Electric Vehicles, I 8 and RFD 4(k)
 - 1. Nuclear Power, I 1 and RFD 4(1)
 - m. Natural gas leaks, I 8

- n. Merger Purpose, I 14
- o. Merger discussion I 25-26
- p. Public Interest, I 15
- q. Climate Change, I 5-7, RFD 4(v-w, y, z, aa, bb, cc, and dd)
- r. Exelon Policy positions on climate legislation and EPA rule, RFD 4(z and aa)
- s. Comparative benefits with other mergers, I 16-17 and RFD 6
- t. Market/subsidy
 - i. Wind Production Tax Credit (PTC), RFD 4(q).
 - ii. Wind Investment Tax Credit (ITC), RFD 4(r).
 - iii. Nuclear Power subsidies/non-market basis, RFD 4(p, s)
 - iv. Environmental/water impacts of thermal plants, I 8.
 - v. Loan guarantee, RFD 4(t)
 - vi. Price Anderson Act, RFD 4(s)
 - vii. SO2 market, RFD 4(x)
 - viii. Carbon taxes, RFD 4(w).
 - ix. RGGI, RFD 4(v)
 - x. Market based carbon, RFD 4(y)
 - xi. Social Cost of Carbon, D4(bb)
 - xii. Externality, I 9.
- u. Exelon Generation,
 - i. Existing, I 1
 - ii. Plans for new generation, I 10-12

- 22. The second discovery request falls neatly within the first set, but even if it did not, due process of law would demand some leeway given the extremely tight timeframes established between intervention and the first discovery request deadline (while it is true I could have waited a couple of more days to file the first set, I was faced with the choice of more time or earlier resolution of discovery objections since the blanket objection time limit was tied to the date of filing of the discovery request; in either case, the time period was not adequate to meet due process considerations).
- 23. The Second Discovery Request has 73 Requests for Admissions that seek various admissions that relate to Exelon's positions regarding renewable energy (and in particular development of new renewable energy capacity) and nuclear energy, and how Exelon's very large nuclear fleet's economic performance influences how Exelon approaches these questions. Because the profits (and losses) of its generation arm are variable (as opposed to the profits of Delmarva Power, which are regulated), Exelon is driven to maximize its variable profits.
- 24. Interrogatories 1-2 relate directly to the requests for admission and are thus permissible as well. Interrogatories 4-5, 7-13, 15-16, 21, and 30-32 are permissible for the reasons specified in paragraph 23. To the extent Interrogatory 41 and Request for Production 1 relate to the above they are also permissible.
- 25. On numerous occasions, the Joint Applicants object on grounds such as attorneyclient privilege, work product or confidentiality (at times this is the only objection; at
 other times it is combined with others). Provided the Joint Applicants identify each
 and every withheld communication and document at the time they file timely
 responses to the discovery request and allow in camera review by the Senior Hearing

- Examiner of any disputed documents, no action is needed at this time on the assertions of privilege and confidentiality.
- 26. The claim that the discovery is overly burdensome has no support. Indeed, the Joint Applicants are under control of much of their alleged burden. They can for example either choose to claim that terms such as "market and financial risk," which comes from a subheading of Exelon's own 10k

 (http://www.exeloncorp.com/performance/investors/secfilings.aspx for period ending 2012) filings, that are included in the request for admissions are vague, and thus be required to answer interrogatories 1 and 2, or they can fairly meet the request for admission.
- 27. Likewise, the Joint Applicants can claim that they do not understand markets, non-market policies, subsidies, and the law of supply and demand or they can answer interrogatories 1 and 2. But if they persist, they should not later be heard in rebuttal to the case of Staff, Public Advocate and the Intervernors that they take a different view on these concepts.
- Nor should they be heard to complain that the depositions are of inordinate length.

 Fairly meeting the admissions now will greatly obviate the need to inquire into these subjects during deposition, (might we call such a process the "Delaware way"?) thus resulting in an economy of time the Joint Applicants witness's and the numerous legal counsel and parties that will be in attendance during the depositions.
- 29. That leaves Interrogatory 35, which inquires into a position the Joint Applicants' witness took in her direct testimony. The Joint Applicants are holding out Dr. Tierney as an expert. Dr. Tierney made a statement that the Joint Applicants allege is

- a legal conclusion. Even if one assumes for the sake of argument they are correct and it does call for a legal conclusion, Joint Applicants should still be made to answer given that it concerns a statement made by their own alleged expert witness as part of her direct testimony.
- 30. Should a change in control be approved, the way in which Exelon approaches renewables and nuclear power will have implications for Delaware policy as embodied in Delaware statutes and Commission rules that concern renewables and externalities. Not only may Exelon's positions affect whether these policies are extended, modified or repealed, and thus the amount of in-state carbon-free, generation Delaware has, but as well (a) the price that Delmarva Power ratepayers have to pay for renewables, including wind and solar power, (b) the cost to Delmarva Power ratepayers of renewable energy credits (RECs) and solar RECs (SRECs), (c) whether the REC cost caps are exceeded, which would slow he growth of renewables in Delaware, and (d) the amount of hazardous air pollutants being generated upwind of Delaware and thus the health and wellbeing of Delawareans, which also has real economic costs to Delawareans and Delmarva Power ratepayers.
- 31. My line of inquiry is thus clearly relevant under the public interest standard and relates directly to a central part of the case the Joint Applicants are trying to make in their Application, that is on the benefits and costs of the proposed merger to Delawareans.
- 32. Indeed, should Exelon's advocacy result in the price of a REC increase by only the smallest of amounts, say \$1/MW, and assuming average consumer consumption of 1 MW/month, it will take about six years (factoring in discounting) for the upfront

- payment that Exelon proposes to make to be wiped out. And it is loses for the Delmarva Power ratepayer every year thereafter. If the price of a REC increases by more than \$1/MW, the upfront payment will evaporate much more quickly and the losses will begin earlier.
- 33. In contrast, even a small drop in the spot market price greatly affects Exelon's economic performance, particularly of its nuclear power assets.
- 34. Exelon is particularly concerned about land-based wind power because of the tendency of land-based wind power, which is intermittent, to generate vast quantities of power during the night when demand is low. The problem for Exelon is not wind power per se, but the fact that its large nuclear fleet, unlike more advanced systems in France is not load-following. Absent the ability to easily ramp up and down its nuclear assets, Exelon is finding them to be a 20th century technology, not well adapted to the age of variable generation. Thus, its opposition to renewables, particularly wind power, has more to do with the inadequacies of its own generation than of the attributes of renewables.
- 35. The Joint Applicants may well disagree with the theory I state, but discovery seeks only to uncover evidence that may be relevant to the subject matter of this proceeding; it need not be admissible as long as the discovery appears reasonably calculated to lead to the discovery of admissible evidence. See e.g., Rule 26 of the State of Delaware Superior Court Rules of Civil Procedure. Absent obtaining a protective order prohibiting inquiry into the same, a disagreement does not give the Joint Applicants carte blanche to object and ignore discovery.

- 36. What I have described in paragraphs 29-33 is in sum, what these discovery requests concern.
- 37. I had thought that a confident, large corporation like Exelon that is not hesitant to state its positions that when seeking to move to our small state and become a quasi-public actor would welcome the opportunity to make the case to the Commission that its policies are good for Delaware, will benefit Delmarva Power ratepayers and are consistent with the public interest rather than choose to seek to hide behind its lawyers.

Argument

Specific

38. Below I detail (a) numerous specific discovery requests that have some level of objection and (b) the Joint Applicants' answer/objection along with (c) my specific response to support a compelled answer.

REQUESTS FOR ADMISSION

- 1. There has been an overbuild of wind power capacity.
 - <u>Answer</u>: The Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase "market based" because that phrase is not defined.
- JF Response: This request for admission (RFA) does not use "market-based"; for the response, I thus assume the Joint Applicants intended "overbuild." The word overbuild in relationship to wind power is taken from a statement made by Exelon CEO Chris Crane at a forum on May 14, 2014 at Resources for the Future (RFF). It can be heard at http://video.rff.org:8000/~rff/140513.mp3. One presumes that the Joint Applicants' legal team is not aware of this statement given their answer. It was included in the RFAs as a matter of economy so that its existence would not need to be established and authenticated at the time of Mr. Crane's deposition.

2. Exelon advocates for market-based approaches to electricity generation.

<u>Answer</u>: The Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase "market based" because that phrase is not defined. Without waiving any objection, the Joint Applicants will provide a further response when due.

JF Response: Exelon being a sophistic, large company with much generation and much involvement over the debate of market-based versus non-market based mechanism in energy policy knows well what is meant by "market-based" and indeed a policy on Exelon's website speaks of "competition," competitive electricity markets," "customers are harmed when markets are not allowed to function freely," "competitive markets not taxpayer or ratepayer subsidies," "short-term benefits from distorting the market"

http://www.exeloncorp.com/performance/policypositions/overview.aspx#section_2
This objection is thus one of obfuscation.

3. Exelon opposes subsidies for land-based wind power.

<u>Answer</u>: The Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the term "subsidies" because that term is not defined. Without waiving any objection, the Joint Applicants will provide a further response when due.

JF Response. See RFA Response 2. In further response, Exelon also states that it "has long believed that there is not need to promote subsidies for proven technologies... The federal wind energy production tax credit (PTC) is a prime example of the negative consequences of subsides through which the government picks energy technology winners and losers." http://www.exeloncorp.com/performance/policypositions/overview.aspx#section_2

5. State RPS laws are subsidies.

Answer: See response to 3 above.

JF Response. See RFA Responses 2 and 3.

6. State RPS laws are non-market based approaches

Answer: See response to 2 above.

JF Response. See RFA Responses 2 and 3.

7. RPS laws are a down payment toward a sound climate policy.

<u>Answer</u>: The Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrases: "down payment" and "sound climate policy," as neither are defined. As such the Joint Applicants can neither admit nor deny.

JF Response. See RFA Response 1.

8. Delaware's RPS is within the State of Delaware's right.

Answer: The Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase: "within the State of Delaware's right" and, to the extent the Joint Applicant understand this request, calls for a legal conclusion. As such the Joint Applicants can neither admit nor deny.

JF Response. See RFA Response 7.

9. Exelon's purpose is to run a business and provide a return to shareholders while providing a product that consumers can use.

<u>Answer</u>: The Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrases "purpose is to run a business" and "product that consumers can use" and, to the extent the Joint Applicant understand this request, it appears to call for a legal conclusion as to whether transmission, delivery, energy and the other services that Exelon utilities provide are "products" within the meaning of the law. As such the Joint Applicants can neither admit nor deny.

JF Response. See Response 7.

10. Exelon makes decisions to support or oppose modifications to RPS laws based on its private, commercial interests.

<u>Answer</u>: The Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase "private commercial interests" as that phase and the terms therein are not defined. Without waving any objection, the Joint Applicants will provide a further response when due.

JF Response. See RFA Response 1. Chris Crane while at RFF states that firms such as his are all taking a "commercial position" and other similar statements in regard to energy policy. Moreover, there is nothing vague or ambiguous about what a private commercial interest is. This objection like others reflects an approach of obfuscation, rather than clarity.

11. RPS laws present a market and financial risk to Exelon.

<u>Answer:</u> The Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase "present a market and financial risk..." Without waving any objection, the Joint Applicants will provide a further response when due.

JF Response. See RFA Response 2. In further response, the phrase is taken from Exelon's own 10k filing (http://www.exeloncorp.com/performance/investors/secfilings.aspx) for the fiscal year ending in 2012, which has a subheading, "Market and Financial Risks" so presumably Exelon understands what it means.

12. Exelon makes decisions to support or oppose modifications to RPS laws based on its fiduciary obligations to shareholders.

<u>Answer:</u> The Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase "fiduciary obligations to shareholders" and to the extent it calls for a legal conclusion as to the obligations owed to shareholders. Without waving any objection, the Joint Applicants will provide a further response when due.

JF Response. The term "fiduciary obligations to shareholders" is plain on its face, nor is it vague or ambiguous.

14. RPS is a non-market based approach.

Answer: See response to 2, above.

JF Response. See RFA Response 2

15. Delaware RPS plays favorites.

<u>Answer:</u> The Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase "plays favorites" and in that it is argumentative. As such the Joint Applicants can neither admit nor deny.

JF Response: Exelon touts its 2020 plan as a central calling card evidencing its credentials on renewables. In 2011, Exelon published a 2011 update. See http://www.exeloncorp.com/assets/newsroom/downloads/docs/bro_Exelon2020_Update_2011.pdf. Exelon is so enamored by the term "playing favorites" that it assigned an energy scenario it analyzed by that term, along with "Big Wind" and "King Coal." If the Joint Applicants mean to imply using that Exelon's use of term "playing favorites" like its use of "Big Wind" and "King

Coal" is argumentative, I agree. However, my use of the term is merely taking Exelon's own term, and seeking clarification as to whether it considers the Delaware RPS as "plays favorites" much like the scenario they pose, allegedly does. As such, the phrase is neither vague or ambiguous or argumentative and the RFA requires a proper answer.

20. Exelon is considering seeking regulatory approval of a transmission line that would require regulators to force ratepayers to finance that transmission line though higher electric bills.

<u>Answer:</u> The Joint Applicants object to this data request on grounds that it is argumentative, accusatory, vague and ambiguous in that it does not identify the "transmission line" or the "regulators" involved and is, in general, too lacking in basic information to enable the Joint Applicants to respond. As such the Joint Applicants can neither admit nor deny.

JF Response. This RFA is neither argumentative nor accusatory. If regulators approve a transmission line and the line is not a merchant line, ratepayers are required to finance the transmission line; if it is a merchant line, they are not. Given that Exelon hopes to hold approximately a quarter of the weighted vote on certain transmission decisions in PJM, I am surprised Exelon would consider this to be argumentative rather than purely factual. Moreover, I am not required to identify a specific transmission line, if Exelon is considering seeking regulatory approval of "a" line, and it is aware that it is, then it must admit the same. For example, news reports indicate that Exelon is "proposing a transmission line of its own, the \$1.6 billion, 420-mile Rite Line... But unlike Clean Line, Exelon is seeking federal approval to finance the project through electric bills.

http://www.chicagobusiness.com/article/20120519/ISSUE01/305199980/helping-hans If that news report is accurate, then Exelon would presumably admit RFA 20.

21. Exelon's transmission project is a non-market transmission project.

<u>Answer:</u> The Joint Applicants object to this data request on grounds that it is vague and ambiguous in that it does not identify the "transmission line" and does not define the phrase "non-market transmission project." As such the Joint Applicants can neither admit nor deny.

JF Response. See RFA Responses 2 and 20.

23. The PTC has resulted in more wind power capacity being installed than if the PTC was never adopted.

<u>Answer:</u> Joint Applicants object to this request on grounds that it calls for speculation. It is not possible to know what would have occurred if the PTC had not been adopted. As such the Joint Applicants can neither admit nor deny.

JF Response. On its website, Exelon indicates that objects to the PTC because "the wind PTC has achieved its goal of jumpstarting the industry and is no longer necessary. More than 13,000 MW of new installed wind capacity were added in 2012, surpassing all other electricity generation sources in new installations for the first time ever. This growth comes on the heels of wind accounting for 35% of new generation over the last five years. The PTC has worked." http://www.exeloncorp.com/performance/policypositions/overview.aspx. Exelon's public position is thus that the PTC "jumpstarted" the industry resulting in 13,000MW in 2012 alone. The RFA is no more speculative than Exelon's statement on its own website and thus Exelon should be required to respond. If on the other hand, Exelon is not made to answer, then if, and when Staff, the Public Advocate and Intervenors put on testimony supporting the same, the Joint Applicants should be held to the position stated here if they are not made to answer.

24. Renewing the PTC will result in more wind power capacity being installed than if the PTC is not renewed.

<u>Answer:</u> Joint Applicants object to this request on grounds that it calls for speculation. It is not possible to know what will occur if the PTC is not renewed. As such the Joint Applicants can neither admit nor deny.

JF Response. See RFA Response 23.

26. The law of supply and demand means that if less wind power capacity is installed the price of electricity to consumers will be greater.

<u>Answer:</u> Joint Applicants object to this request on grounds that it calls for speculation. It is not possible to know what will happen to the price of electricity if less wind power capacity is installed. As such the Joint Applicants can neither admit nor deny.

JF Response. See RFA Response 23. In further response, the answer is non-responsive in that RFA 26 does not ask what will in fact happen, it asks about the meaning of the "law of supply and demand" as applied to wind power and price.

27. If less wind power capacity is built, the law of supply and demand means that the price of RECs will increase.

<u>Answer:</u> Joint Applicants object to this request on grounds that it calls for speculation. It is not possible to know what will happen to the price of RECs if less wind power capacity is installed. As such the Joint Applicants can neither admit nor deny.

JF Response. See Response 26.

28. If less wind power capacity is built, there is an increased likelihood that the REC price cap under Delaware law will be exceeded.

<u>Answer:</u> Joint Applicants object to this request on grounds that it calls for speculation. It is not possible to know whether the REC price cap will be exceeded if less wind power capacity is installed. As such the Joint Applicants can neither admit nor deny.

JF Response. See Response 23. In further response, the answer is non-responsive in that RFA 28 asks, not whether something will in fact occur, but rather whether there is an "increased likelihood"

29. If Exelon's position on the PTC prevails, Delmarva Power ratepayers will have to pay more to meet the REC obligation embodied in Delaware State Law than if it does not prevail.

<u>Answer:</u> Joint Applicants object to this request on grounds that it calls for speculation. It is not possible to know what effect, if any, non-renewal of the PTC will have upon the cost of Delaware RPS compliance. As such the Joint Applicants can neither admit nor deny.

JF Response. If and when Staff, the Public Advocate and Intervenors put on testimony supporting the same, the Joint Applicants should be held to the position stated here if they are not made to answer. Presumably, Exelon is a sophisticated company that follows potential changes in the wind PTC and what the renewal or non-renewal of the PTC means for the REC market and when and whether, at what price, and for what duration Exelon should be purchasing RECs. If this RFA is too speculative for Exelon, it is not clear how it can be entrusted with protecting the best fiscal interest of Delmarva ratepayers.

30. If Exelon's position on the PTC prevails, there is an increased likelihood that the REC price cap under Delaware law will be exceeded.

<u>Answer:</u> Joint Applicants object to this request on grounds that it calls for speculation. It is not possible to know what effect, if any, non-renewal of the PTC will have upon whether the REC price cap will be exceeded. As such the Joint Applicants can neither admit nor deny.

JF Response. If and when Staff, the Public Advocate and Intervenors put on testimony supporting the same, the Joint Applicants should be held to the position stated here if they are not made to answer. Presumably, Exelon is a sophisticated company that follows potential changes in the wind PTC and what the renewal or non-renewal of the PTC means for the REC market and when and whether, at what price, and for what duration Exelon should be purchasing RECs. Presumably, for example, Exelon will not want Delmarva Power to hold RECs it does not need if the cap has been exceeded. If this RFA is too speculative for the Joint Applicants, it is not clear how Exelon can be entrusted with protecting the best fiscal interest of Delmarva ratepayers.

31. If Exelon's position on the PTC prevails, Delmarva Power ratepayers will have to pay more for electricity.

<u>Answer:</u> Joint Applicants object to this request on grounds that it calls for speculation. It is not possible to know what happen to the price of electricity if the PTC is not renewed for wind. As such the Joint Applicants can neither admit nor deny.

JF Response. See Responses 2, 29 and 30. If further response, Exelon also states that the wind PTC is "distorting" electricity markets and goes on to refer to the effect of the wind PTC as "Artificially lowering prices."

http://www.exeloncorp.com/performance/policypositions/overview.aspx. How does Exelon know so much about the effect of the PTC on prices that it is able to state the same on its website, but knows so little that it is unable to admit or deny the same?

32. The benefits of electricity from renewable energy resources accrue to the public at large.

Answer: The Joint Applicants object to this request on grounds that it calls for a legal conclusion. This request for admission is a direct quote from the "Renewable Energy Portfolio Standards Act," 26 Del.C. § 351 (b) which provides: "the benefits of electricity from renewable energy resources accrue to the public at large..." Without waiving any objection, the Joint Applicants will provide a further response when due.

JF Response: I do not seek a legal conclusion. The question as written is factual and goes to whether Exelon's positions regarding the profitability of its nuclear fleet will result in fewer benefits to the public.

33. Electric suppliers and consumers share an obligation to develop renewable energy resources in the electricity supply portfolio of the state of Delaware.

<u>Answer:</u> The Joint Applicants object to this request on grounds that it calls for a legal conclusion. Without waiving any objection, the Joint Applicants will provide a further response when due.

JF Response: I do not seek a legal conclusion. The question as written is a factual inquiry and it seeks to determine whether Exelon believes without regard to the law, that electric suppliers have an obligation to develop renewable energy supplies in Delaware. In response to Firestone's initial discovery request (interrogatory 11), Exelon indicated that it had no present intention to develop new generation resources in Delaware. RFA 33 seeks information regarding its beliefs in the responsibility to develop one kind of new generation resource—renewable energy resources—irrespective of Exelon's intentions. Given Exelon's opposition to PTC renewal and its concerns with RPS laws, this inquiry is appropriate.

34. If the Rock Island Clean Energy Line is built, wind power will cost less in PJM than if it were not built.

<u>Answer:</u> Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase "wind power" in that the phrase has not been defined, that it is irrelevant to the issues before the Commission in this proceeding, and that it calls for speculation. It is not possible to know what effect, if any, construction of the Rock Island Energy Line will have on the end price of "wind power" in PJM. As such the Joint Applicants can neither admit nor deny.

JF Response: Exelon uses the term wind power in its Educational Center, http://www.exeloncorp.com/powerplants/fairlesshills/educationcenter/exhibits/wind.aspx. As well, on its webpage about its ownership, operation, and development of wind generation, it uses the term "wind power" and then goes on to describe such wind power as "environmentally-friendly power generation to customers"

http://www.exeloncorp.com/energy/generation/wind.aspx, yet here it claims it does not know what the term means. Given Exelon's lack of support for the Clean Energy Line (See Direct Testimony of Steven T. Naumann, VP, Exelon Business Services Company, No. 12-0560 before the Illinois Commerce Commission), http://www.icc.illinois.gov/docket/files.aspx?no=12-0560&docId=200027 (Exhibit 1, Direct Testimony of Commonwealth Edison, filed June 25, 2013) and the fact the Clean Energy Line if built would have the potential to bring 6000MW of wind power to Chicago, Exelon, through its own economic analysis and with knowledge of the law of supply and demand, has presumably analyzed the Clean Energy Line's effect on prices. Exelon's legal counsel can't simply provide a lawyer's response; rather they are obliged to conduct a searching inquiry with their client to ascertain whether Exelon has done the analysis that supports as admission. Finally, the effect of Exelon policies as they relate to generation and transmission that can have effects on prices paid for generation and RECs in Delaware is clearly relevant.

35. If the Rock Island Clean Energy Line is built, Delmarva Power ratepayers will have to pay less to meet the REC obligation embodied in Delaware State Law.

<u>Answer:</u> Joint Applicants object to this request on grounds that it calls for speculation and that it is irrelevant to the issues before the Commission in this proceeding. It is not possible to know at this time what effect, if any, construction of the Rock Island Energy Line will have on the cost to achieve RPS compliance in Delaware. As such the Joint Applicants can neither admit nor deny.

JF Response. If and when Staff, the Public Advocate and Intervenors put on testimony supporting the same, the Joint Applicants should be held to the position stated here if they are not made to answer. Exelon is a sophisticated company that is following potential changes in the Midwest transmission market (see testimony of Steven Naumann referenced in RFA Response 34) and appreciates what the build of the Clean Energy Line will mean for delivery of wind power to PJM. As well, as a sophistic company that operates in the REC market, it understands the law of supply and demand and the effect of wind development on REC prices. If this RFA is too speculative for the Joint Applicants, it is not clear how Exelon can be entrusted with protecting the best fiscal interest of Delmarva ratepayers. The effect of Exelon policies as they relate to generation and transmission that can have effects on prices paid for generation and RECs in Delaware and thus is clearly relevant.

36. If the Rock Island Clean Energy line is built, there will be less coal generation in western PJM.

<u>Answer:</u> Joint Applicants object to this request on grounds that it calls for speculation and that it is irrelevant to the issues before the Commission in this proceeding. It is not possible to know at this time what effect, if any, construction of the Rock Island Energy Line will have on the amount of coal generation in PJM. As such the Joint Applicants can neither admit nor deny.

JF Response. If and when Staff, the Public Advocate and Intervenors put on testimony supporting the same, the Joint Applicants should be held to the position stated here if they are not made to answer. Exelon is a sophisticated company that is following potential changes in the Midwest transmission market (see testimony of Steven Naumann referenced in RFA Response 34) and appreciates what its build will mean for the relative markets of coal and wind generation. delivery of wind power to PJM. Indeed, in its 10K (for period ending December 2012) Exelon details as much "Further, in the event that alternative generation resources, such as wind and solar, are mandated through RPS or otherwise subsidized or encouraged through climate legislation or regulation and added to the available generation supply such resources could displace a higher marginal cost fossil plant, which could reduce the price at which market

participants sell their electricity." (emphasis added). See http://www.exeloncorp.com/performance/investors/secfilings.aspx

As well, as a sophistic company that operates in the generation market, Exelon understands the effect of the law of supply and demand on generation prices. If this RFA is too speculative for the Joint Applicants, it is not clear how Exelon can be entrusted with protecting the best fiscal interest of Delmarva ratepayers. The effect of Exelon policies as they relate to generation and transmission that can have effects on prices paid for generation and RECs in Delaware and thus is clearly relevant.

37. If the Rock Island Clean Energy line is built, there will be less coal generation upwind of Delaware.

<u>Answer:</u> Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase "upwind of Delaware" and in that it calls for speculation. It is not possible to know at this time what effect, if any, construction of the Rock Island Energy Line will have on the amount of coal generation in PJM. As such the Joint Applicants can neither admit nor deny.

JF Response. See RFA Response to 36.

39. A reduction in demand for electricity reduces market prices for electricity, all other things being equal.

<u>Answer:</u> Joint Applicants object to this request on grounds that it calls for speculation. Without waiving any objection, the Joint Applicants will provide a further response when due.

JF Response. Exelon is able to provide similar information in its 10K filing for the period ending 2012. See http://www.exeloncorp.com/performance/investors/secfilings.aspx. In pertinent part Exelon states that: "The market price for electricity is also affected by changes in the demand for electricity. Worse than expected economic conditions, milder than normal weather, and the growth of energy efficiency and demand response programs can depress demand. The result is that higher-cost generating resources do not run as frequently, putting downward pressure on market prices for electricity. The continued sluggish economy in the United States has in fact led to a slowdown in the growth of demand for electricity. If this continues, it could adversely affect the Registrants' ability to fund other discretionary uses of cash such as growth projects or to pay dividends. In addition, the economic conditions may no longer support the continued operation of certain generating facilities, which could adversely affect Generation's results of operations through increased depreciation rates, impairment charges and accelerated future decommissioning costs. A slow recovery could result in a prolonged depression of or further decline in commodity prices, including low forward natural gas and power prices and low

market volatility, which could also adversely affect Exelon's and Generation's results of operations, cash flows and financial position."

It is not clear why it is too speculative to answer here, but not too speculative to state in considerable detail in the 10k

40. Energy efficiency is not in the best interest of Exelon's shareholders.

<u>Answer:</u> Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase "in the best interest of Exelon's shareholders" and in that it calls for speculation. Without waiving any objection, the Joint Applicants will provide a further response when due.

JF Response: See Response 39. There is nothing vague or ambiguous about the phrase "in the best interest of Exelon's shareholders." In its 2014 Proxy statement Exelon uses the phrases "best interests of Exelon and its shareholders," "best interests of shareholders," and "best interests of all shareholders." See http://www.exeloncorp.com/assets/newsroom/downloads/docs/Financial/dwnld_Proxy.PDF. This represents another instance in what is a pattern of unmeritorious objections to avoid answering discovery.

42. When new wind power capacity is constructed in western PJM and wind power is subsequently generated, some of the fossil fuel generation displaced is upwind of Delaware.

<u>Answer:</u> Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase "upwind of Delaware" and in that it calls for speculation. As such the Joint Applicants can neither admit nor deny.

JF Response. Exelon is able to provide similar information in its 10K filing for the period ending 2012. http://www.exeloncorp.com/performance/investors/secfilings.aspx and as such it is not speculative. In pertinent part Exelon states that: "Further, in the event that alternative generation resources, such as wind and solar, are mandated through RPS or otherwise subsidized or encouraged through climate legislation or regulation and added to the available generation supply such resources could displace a higher marginal cost fossil plant, which could reduce the price at which market participants sell their electricity. This occurrence could then reduce the market price at which all generators in that region, including Generation, would be able to sell their output. These events could adversely affect Generation's financial condition, results of operations, and cash flows, and could also result in an impairment of certain long-lived assets." Further, "Upwind of Delaware" is not vague term; it may be that Exelon does not have sufficient information to make such a determination of what is upwind, but that is an entirely separate reason for not admitting or denying.

44. The PTC has benefited states beyond those that have mandatory RPS.

<u>Answer:</u> Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase "has benefitted states" in that it does not identify what the "benefits" are and in that it calls for speculation. As such the Joint Applicants can neither admit nor deny.

JF Response: This is relevant because Chris Crane has stated that the 30 states with [mandatory] RPS laws dictate that there be renewables and that you have 50 states paying a PTC to support 30 states' RPS. See RFA Response 1. The implication of this is that 20 other states do not benefit from the PTC and it is part of Exelon's stated rationale for opposing the PTC renewal. This Request for Admission and other's that follow seek to undermine that rationale. It is relevant because of the negative impact that Exelon and its non-renewal campaign if successful will have on Delaware policies as well as the costs that will be incurred by Delmarva ratepayers and the dirty air they will breathe and the health costs they will incur. The use of the tense "have benefited" make clear that it is not speculative.

45. More than 10,000MW of installed capacity of wind power are in the eight states and two territories that have a voluntary RPS.

<u>Answer:</u> The Joint Applicants object to this request on grounds of relevance and to the extent the Joint Applicants are without information and knowledge necessary to admit or deny.

JF Response: See RFA Response 44. In further response, the Joint Applicants' legal counsel are required to diligently seek out whether this information is held by Exelon in any form prior to indicating they are without information and knowledge. Related to this, if they are still unable to admit or deny, they are required to answer interrogatory 2.

46. More than 3000MW of installed capacity of wind power in the states without voluntary or mandatory RPS.

Answer: See response to 44 above.

JF Response: See RFA Response 44.

47. Siemens Wind Power is headquartered in Florida.

<u>Answer:</u> The Joint Applicants object to this request of grounds of relevance and are without sufficient knowledge or information necessary to admit or deny this request.

JF Response: See RFA Response 44.

48. Next Era Energy Resources is headquartered in Florida.

<u>Answer:</u> The Joint Applicants object to this request of grounds of relevance.

JF Response: It is relevant for the reasons specified in RFA Response 44.

49. General Electric has a wind turbine manufacturing facility in South Carolina.

Answer: The Joint Applicants object to this request of grounds of relevance.

JF Response: It is relevant for the reasons specified in RFA Response 44.

50. The large wind turbine drivetrain testing facility is in South Carolina.

<u>Answer:</u> The Joint Applicants object to this request of grounds of relevance and on grounds that it is vague and ambiguous in that it does not identify who owns or operates "the large wind turbine drive train testing facility in South Carolina." As such the Joint Applicants can neither admit nor deny.

JF Response: It is relevant for the reasons specified in RFA Response 44. The large wind turbine drive train testing facility is likely well known to Exelon, which touts its prowess in the wind power sphere. The Joint Applicants' legal counsel are required to diligently seek out whether this information is kept by Exelon in any form prior to indicating they are without information and knowledge. Related to this, if they are still unable to admit or deny, they are required to answer interrogatory 2.

52. Many nuclear plants in France are load-following.

Answer: The Joint Applicants object to this request of grounds of relevance.

JF Response. The purpose of this RFA is to establish that a country heavily identified and reliant on nuclear power operates its nuclear plants in a way that allows those plants to be more finely tuned to demand than Exelon is able to operate its own nuclear plants. It is nature of Exelon's technology that make Exelon hostile to wind in particular, but solar, and even any new generation as well because they all put downward pressure on prices that Exelon can obtain for energy generated by its nuclear assets. It is thus the nature of Exelon's nuclear assets that drive it to support policies that are not in the best interest of Delaware or Delmarva ratepayers rather than anything inherent about wind power or RPS laws. The RFA is thus relevant.

66. Nuclear power has social costs.

<u>Answer:</u> Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase: "social costs" as that phrase is not defined. Without waiving any objection, the Joint Applicants will provide a further response when due.

JF Response: Being a major supporter of some climate legislation, it would be very surprising if Exelon was not intimately familiar with the term "social cost" of carbon, and "social costs" more generally. As such, it is neither vague nor ambiguous.

67. Exelon does not pay the fair market value for water for the majority of its thermal generation plants, including nuclear.

<u>Answer:</u> Joint Applicants object to this request on grounds that it is vague and ambiguous in the use of the phrase: "fair market share," is argumentative and lacks relevancy to the matters before the Commission in this docket.

JF Response: The RFA asks about "fair market value" not "fair market share." I assume for the purpose of responding that the Joint Applicants meant to use "fair market value." The term in quotes has 1,330,000 results in Google, with Wikipedia, Investopedia, and the Free Legal Dictionary being the first three. It begs credulity that a sophisticated company like Exelon is confused by the vagueness and ambiguity of the term. It is not argumentative and is merely a statement of fact. It is relevant to this inquiry because it goes to the nature of subsidies and non-market mechanisms that prop up thermal power plants and shows the inconsistency in Exelon's stated opposition to policies such as the wind PTC. It goes to the heart of the reason for Exelon's advocacy against such policies and wind and why that advocacy is bad for Delaware.

68. The operation of Exelon's thermal generation plants results in the entrainment and impingement of fish and fish larvae.

Answer: The Joint Applicants object to this request of grounds of relevance.

JF Response. It is relevant for the reasons similar to those specified in RFA Response 67.

73. A purpose of the proposed all-cash transaction for PHI was to be able to exert greater influence on renewable energy policies in states within PJM.

<u>Answer:</u> The Joint Applicants object to this request on grounds that it is argumentative and accusatory. Without waiving any objection, the Joint Applicants will provide a further response when due.

JF Response. One criterion the Commission must consider is whether the change in control is for a proper purpose. As such, it is permissible to inquire into purposes without it being an accusation or an argument; indeed, it is simply an inquiry.

INTERROGATORIES

- 1. With respect to every request for admission which you denied in whole or in part:
 - (a) State the facts that form the basis of your denial.
- (b) Identify each person, including natural person, with knowledge of the facts that form the basis of your denial.
 - (c) Identify any documents that you contend support your denial.
- (d) Identify any documents that may tend to undermine support for your denial

Objections:

- (b) Overly broad, unduly burdensome.
- (c) Overly broad, unduly burdensome, involves documents that would be overly cumulative, work product doctrine and attorney-client privilege.
- (d) Overly broad, unduly burdensome, involves documents that would be overly cumulative, work product doctrine and attorney-client privilege.

JF Response. This is not an atypical interrogatory following requests for admissions and indeed the Joint Applicants have much control over the extent of the effort required. The more they engage in strategic denial to requests for admissions rather than meeting the substance of the admissions, the more they will need to explain the bases for their failure to admit. To the extent documents are responsive to more than one request for admission, the Joint Applicants can note so by reference to decrease any alleged burden should they so chose. As noted above, to extent documents are privileged, if appropriate description and justification is provided when complete responses are due to the discovery request, the assertion here is not troubling.

- 2. With respect to every request for admission that you give lack of information or knowledge as a reason for failure to admit or deny:
- (a) Identify each person, including natural person, with knowledge related to the request for admission.
 - (b) Identify any documents related to the request for admission.
 - Objections: (a) Overly broad, unduly burdensome, irrelevant.
 - (b) Overly broad, unduly burdensome, vague and ambiguous, involves documents that would be overly cumulative, work product doctrine and attorney-client privilege.

JF Response. See JF Response to Interrogatory 1.

4. Of the total MWs of wind generation owned by Exelon, how many MW are at wind project that was commissioned prior to Exelon's ownership and how many MW are at a wind project that was commissioned during Exelon's ownership.

Objection: Overly broad, unduly burdensome and irrelevant to the matters before the Delaware Commission. Generation and wholesale power issues are subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC") and other regulatory agencies and entities. While RPS compliance matters are within the jurisdiction of the Delaware Commission, the details requested in this interrogatory are irrelevant to RPS compliance by Delmarva Power, irrelevant to the matters before the Delaware Commission in this docket, outside the jurisdiction of the Commission, and are overly broad and unduly burdensome. Without waiving any objection, the Joint Applicants will provide wind generation portfolio information, but may not in the exact manner requested herein.

JF Response. The Joint Applicants' claim of unduly burdensomeness here highlights how the Joint Applicants view any inquiry as a burden. It simply requests Exelon to detail how many wind Megawatts (MW) it developed itself and how many it purchased from others. It likely readily has this information and is likely not burdensome at all. Thus, making this claim here effectively undercuts any attempt to make the claim elsewhere. In its Application, Exelon CEO Chris Crane (pp. 21-22) claims that Exelon is an "industry leader" in "adopting" renewable energy technology, as evidenced by the nearly 1,300 megawatts ("MW") of wind generation... This was in response to a question on "expansion of renewable energy sources." If it is relevant for Exelon's CEO to boast about Exelon's wind assets, and within the jurisdiction for the purposes of his direct testimony it is not clear why it is not relevant and jurisdictional now. I am entitled to inquire into what wind energy Exelon purchased and what it "adopted" "developed" or "expanded." What Exelon actually developed is a different (and better) metric and measuring stick of its commitment to new renewable generation than what assets it purchased because it thought it made good business, private profit, sense.

5. Please explain in detail the relationship between Exelon and Nuclear Matters, including any role Exelon played in setting up Nuclear Matters, the extent of funding and control Exelon exercises over Nuclear Matters, and why Exelon uses Nuclear Matters to advance nuclear power policy rather than or in addition to advancing nuclear power itself.

Objection: Overly broad, unduly burdensome and irrelevant to the matters before the Delaware Commission. Generation and wholesale power issues are subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC") and other regulatory agencies and entities. The details requested in this interrogatory are irrelevant to the matters before the Delaware Commission in this docket, outside the jurisdiction of the Commission, and are overly broad and unduly burdensome. Without waiving any objection, the Joint Applicants will provide wind generation portfolio information, but may not in the exact manner requested herein.

JF Response. The claims of burdensomeness and over-breadth are without support. I also do not understand the statement regarding wind generation portfolio (perhaps from the prior) as this asks about the entity Nuclear Matters. Whether or not and to what extent Exelon plays in front groups like Nuclear Matters is relevant to whether the change in control of Delmarva Power is in the public interest. Stealth advocacy of policies is troubling for a quasi-public entity such as Delmarva Power. Given the tie between Exelon's advocacy on its own for policies such as the wind PTC and the public interest as established above, there is even greater concern for advocacy through front groups.

7. Please identify and provide a detailed description of any communications or conversations Exelon has had with Pepco during the course of the merger discussions regarding wind power, the wind PTC or RPS laws.

<u>Objection</u>: To the extent this request involves communications protected by the attorney/client privilege and on grounds of relevance and jurisdiction detailed in the response to number 4.

JF Response. To the extent attorney client privilege is ultimately asserted as to some communications, provided appropriate documentation and substantiation is made at the time complete responses are due and filed such assertions are not inappropriate. Given the relevancy of the relationship between wind power, the wind PTC and RPS laws and Exelon's nuclear assets to both Delaware policy as spoken through the General Assembly in its laws and the PTC through its rules and orders, and the effect on price that Delmarva ratepayers will bear, understanding what communications occurred between Exelon and Pepco and to the information provided to Exelon and PEPCO's board's is highly relevant. As noted above, the standard is not admissibility, but reasonably calculated to lead to relevant evidence. See also response to Interrogatory 4.

8. Please identify and provide a detailed description of any communications or conversations or information relied on by Exelon's Board of Directors in consideration of the merger between Exelon and Pepco related to wind power, the wind PTC, state RPS laws or Exelon's nuclear power plants.

<u>Objection</u>: To the extent this request involves communications protected by the attorney/client privilege and on grounds of relevance and jurisdiction detailed in the response to number 4.

JF Response. See Response Interrogatory 7.

9. Please identify and provide a detailed description of any communications or conversations or information relied on by Pepco's Board of Directors in consideration of the merger between Exelon and Pepco related to wind power, the wind PTC, state RPS laws or Exelon's nuclear power plants.

<u>Objection</u>: To the extent this request involves communications protected by the attorney/client privilege and on grounds of relevance and jurisdiction detailed in the response to number 4.

JF Response. See Response Interrogatory 7.

10. Please identify and provide a detailed description of any communications, including studies, that were not included in materials distributed to Exelon's Board of Directors, but were developed or occurred in support of presentations made, and provided to Senior Management on the merger between Exelon and Pepco related to wind power, the wind PTC, state RPS laws or Exelon's nuclear power plants.

<u>Objection</u>: To the extent this request involves communications protected by the attorney/client privilege and on grounds of relevance and jurisdiction detailed in the response to number 4.

JF Response. See Response Interrogatory 7.

11. Please identify and provide a detailed description of any communications, including studies, that were not included in materials distributed to Pepco's Board of Directors, but were developed or occurred in support of presentations made, and provided to Senior Management on the merger between Exelon and Pepco related to wind power, the wind PTC, state RPS laws or Exelon's nuclear power plants.

Objection: To the extent this request involves communications protected by the attorney/client privilege and on grounds of relevance and jurisdiction detailed in the response to number 4.

JF Response. See Response Interrogatory 7.

- 12. Did the Pepco Board of Trustees take into account in any manner Exelon's positions on any of the following when considering whether to merge with Exelon?:
 - a. The wind PTC
 - b. State RPS laws
 - c. Transmission of clean energy
 - d. The relationship between wind energy and the profitability of Exelon's nuclear power plants.

Objection: To the extent this request involves communications protected by the attorney/client privilege and on grounds of relevance and jurisdiction detailed in the response to number 4.

JF Response. See Response Interrogatory 7.

13. If Pepco's Board of Trustees did take into account in any manner Exelon's positions on the wind PTC, State RPS law, transmission of clean energy or the relationship between wind energy and the profitability of Exelon's nuclear power plants, please identify in detail and explain how and when.

<u>Objection</u>: To the extent this request involves communications protected by the attorney/client privilege and on grounds of relevance and jurisdiction detailed in the response to number 4.

JF Response. See Response Interrogatory 7.

- 14. Did Pepco's Board of Trustees take into account, consider and/or determine that the merger would be fair to and in the best interests of ratepayers/customers?
 - a. If the answer is a qualified or unqualified "Yes," identify in detail and explain how and when it took such fairness and interests into account.

b. If the answer is anything other than an unqualified "Yes," identify in detail and explain why not.

<u>Objection</u>: To the extent this request involves communications protected by the attorney/client privilege.

JF Response. To the extent attorney client privilege is ultimately asserted as to some communications, provided appropriate documentation and substantiation is made at the time complete responses are required and filed such assertions now are not inappropriate.

15. Please identify and provide a detailed description of any communications, including studies, that have occurred as part of the merger integration, including those of the merger integration team, related to wind power, the wind PTC, or state RPS laws.

<u>Objection</u>: To the extent this request involves communications protected by the attorney/client privilege and on grounds of relevance and jurisdiction detailed in the response to number 4.

JF Response. See Response Interrogatory 7.

16. Please identify and provide a detailed description of any communications, including studies, that have occurred as part of the merger integration, including those of the merger integration team, related to Exelon's generation assets, including, but not limited to its, nuclear power plants.

<u>Objection</u>: To the extent this request involves communications protected by the attorney/client privilege and on grounds of relevance and jurisdiction detailed in the response to number 4.

JF Response. See Response Interrogatory 7.

17. Please identify and provide a detailed description and explain how, if at all, the merger integration team has taken into account customer/ratepayers interests in renewable energy in its integration decisions.

<u>Objection</u>: To the extent this request involves communications protected by the attorney/client privilege.

JF Response. To the extent attorney client privilege is ultimately asserted as to some communications, provided appropriate documentation and substantiation is made such assertions are not inappropriate.

- 21. For each of the following, Exelon identify the percentage generation in MWh/year for each of the past five years of Exelon-owned generation assets
 - a. Nuclear
 - b. Natural gas
 - c. Coal
 - d. Oil
 - e. Hydropower
 - f. Wind
 - g. Solar
 - h. Landfill gas
 - i. Other

Objection: Overly broad, unduly burdensome and irrelevant to the matters before the Delaware Commission. Generation is subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC"). While RPS compliance matters are within the jurisdiction of the Delaware Commission, the exact percentage of generation owned by any subsidiaries of Exelon is irrelevant to RPS compliance by Delmarva Power, irrelevant to the matters before the Delaware Commission in this docket, outside the jurisdiction of the Commission, and would be overly broad and unduly burdensome. Without waiving any objection, the Joint Applicants will provide generation portfolio information, but it may not be in the exact manner requested herein.

JF Response. See Interrogatory Responses 4 and 7. In further response, this information is likely readily available to a generator of Exelon's size and sophistication and not burdensome. It also is relevant because megawatt-hours (MWh) paint a better picture of the dominance of Exelon's nuclear assets in its generation portfolio and paint a picture of the lesser contribution of renewables than does the MW numbers that Exelon touts in its application. See again, Direct testimony of Chris Crane in the Application.

- 30. Please identify the total amount of tax credits that Exelon has claimed as a result of the wind PTC:
 - a. Since its inception
 - b. Since it began opposing the wind PTC.

Objection: Overly broad, unduly burdensome and irrelevant to the matters before the Delaware Commission. Generation and wholesale power issues are subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC") and other regulatory entities and Federal taxation matters are subject to the jurisdiction of the Internal Revenue Service. While RPS compliance matters are within the jurisdiction of the Delaware Commission, the details requested in this interrogatory are irrelevant to RPS compliance by Delmarva Power, irrelevant to the matters before the Delaware Commission in this docket, outside the jurisdiction of the Commission, and would be overly broad and unduly burdensome.

JF Response. See Interrogatory Responses 4 and 7. In further response, this information is likely readily available to a generator of Exelon's size and sophistication and not burdensome. It files its tax returns every year and should be able to pull the information quite easily from its returns. This goes to the issue of the consistency of Exelon's positions on market-based mechanisms and subsidies and the rationale behind its advocacy against the renewal of the wind PTC. It will provide information on the extent to which Exelon profits from policies its condemns.

- 31. Please identify the total amount of tax credits that Exelon estimates it will be able to claim as a result of the wind PTC in the future based on:
 - a. Existing wind projects
 - b. Wind projects under development

Objection: Overly broad, unduly burdensome and irrelevant to the matters before the Delaware Commission. Generation and wholesale power issues are subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC") and other regulatory entities and Federal taxation matters are subject to the jurisdiction of the Internal Revenue Service. While RPS compliance matters are within the jurisdiction of the Delaware Commission, the details requested in this interrogatory are irrelevant to RPS compliance by Delmarva Power, irrelevant to the matters before the Delaware Commission in this docket, outside the jurisdiction of the Commission, and would be overly broad and unduly burdensome.

- **JF Response.** See Interrogatory Response 30. In further response, this information is likely readily available to a generator of Exelon's size and sophistication, and presumably was considered when it purchased wind assets and when it developed or is developing others wind projects.
- 32. Has Exelon had any meetings or communications with US EPA regarding the proposed Clean Power Plant rule? If so, please identify and provide a detailed description of those communications, including any communication regarding structuring the final rule to protect the profitability of Exelon's nuclear power plant assets.

Objection: Overly broad, unduly burdensome and irrelevant to the matters before the Delaware Commission. Generation and wholesale power issues are subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC") and other regulatory entities and matters regulated by the EPA are subject to its jurisdiction. While RPS compliance matters are within the jurisdiction of the Delaware Commission, the details requested in this interrogatory are irrelevant to RPS compliance by Delmarva Power, irrelevant to the matters before the Delaware Commission in this docket, outside the jurisdiction of the Commission, and would be overly broad and unduly burdensome. The details requested in this interrogatory are confidential.

JF Response. See Interrogatory Responses 4 and 7. In further response, Chris Crane in his direct testimony discusses how Exelon is going to help Delmarva Power customers reduce their carbon footprint and how Exelon itself reduced its own carbon footprint. Further, Exelon at one point dropped out of the US Chamber of Commerce because Exelon's supported Climate legislation and the Chamber did not. http://www.nytimes.com/gwire/2009/09/28/28greenwire-exelon-leaves-us-chamber-over-climate-dispute-74577.html. It has since re-united with the Chamber providing funds to it. http://www.publicintegrity.org/2014/01/29/14185/exelon-amends-reports-concerning-contributions-trade-groups. Exelon does however continue to hold itself out as a climate leader. See

http://www.exeloncorp.com/Environment/Strategy/Pages/overview.aspx. I am entitled to inquire

into Exelon's positions regarding the EPA clean power (climate) rulemaking to better understand its re-engagement with the Chamber and to better understand if its motivations relate to the science of climate change or whether it is motivated to protect its bottom-line. Delaware is a low-lying state and climate policy is important to us and Delaware has adopted a number of policies related thereto, including clean energy policies. As well, the Commission has adopted an externality rule for consideration in IRPs. And as I detail, protection of the nuclear profits of Exelon is inimical to the best financial interest of Delaware ratepayers. This interrogatory thus goes to the public interest. If communications are confidential, Exelon can, at the time of timely filing a responses follows the discovery instructions regarding identifying such confidential communications/documents and providing in camera inspection by the Senior Hearing Examner should that be necessary.

- 35. With regard to the direct testimony of Dr. Tierney, p. 7, do you contend that Exelon and PHI did not need to submit the change in control of PHI to the jurisdiction of the Commission?
 - a. If the answer is anything other than an unqualified "No," explain the basis for the response.
 - b. If the answer is anything other than an unqualified "No," quantify the benefit to Delmarva Power & Light customers.

Objection: Calls for a legal conclusion. The requirements of the Delaware Code with respect to approval of a change in control of regulated utilities speak for themselves.

JF Response. Dr. Tierney, who the Joint Applicants are holding out as an expert testified as such, and thus I am able to inquire into a statement in her direct testimony.

41. Identify each person, including natural person, who in a material way participated in, supplied information to, or assisted the person verifying the answers to or signing the answers to admissions, answers to the interrogatories and requests for production of documents, including those person(s) who have provided information for such answers and those persons who are sponsoring an answer, stating with specificity the answer(s) involved.

Objection: Overly broad, unduly burdensome and seeks information that is irrelevant.

JF Response: As noted above, this interrogatory was modeled after an interrogatory that was negotiated in good faith with and by the Joint Applicants' legal counsel. For the reasons expressed above, and in the documents filed in support of my first Motion to Compel, these objections must fall. In further response, it is not clear how it is burdensome to list the individuals who participated in answering this discovery request. It is even less clear how it is a burden to list the person sponsoring the answer. The claim of lack of relevance can only be described as frivolous. Given that we are able to undertake additional discovery, including the taking of depositions, how can it not be relevant who provided the information or who sponsors an answer? How are we to decide if, and if so when, and in what order, etc., to take a person's deposition if we do not know who the person is? We are not required to do the equivalent of a 30(b)(6) deposition under the Federal Rules of Civil Procedure (and even in the federal courts it is an option not a requirement and not a means to avoid discovery requests such as set forth here).

REQUESTS FOR PRODUCTION

1. Produce all documents related to a response to the interrogatory requests.

<u>Objection</u>: Overly broad, unduly burdensome, seeks information that is irrelevant, vague and ambiguous and fails to identify with reasonable particularity the category of information requested.

JF Response: This is not an atypical production request. Further "relating to" is a defined term in the interrogatories. See Exhibit A.

WHEREFORE, for the reasons set forth above, Jeremy Firestone, pro se, request the Senior

Hearing Examiner to:

- 1. Grant this Motion to Compel Discovery
- 2. Order the Joint Applicants to answer fully the afore-mentioned discovery

requests.

3. Grant such other relief as is appropriate and just.

Respectfully submitted,

Jeremy Firestone September 5, 2014

Exhibit A

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION)
OF DELMARVA POWER & LIGHT COMPANY,)
EXELON CORORPATION, PEPCO HOLDINGS) PSC DOCKET NO. 14-193
INC., PURPLE ACQUISITION CORPORATION,)
EXELON ENERGY DELIVERY COMPANY, LLC)
AND SPECIAL PURPOSE ENTITY, LLC)
FOR APPROVALS UNDER THE PROVISIONS)
OF 26 Del. C. §§ 215 AND 1016)
(FILED JUNE 18, 2014))

INTERVENOR JEREMY FIRESTONE'S FOLLOW-UP REQUESTS FOR ADMISSION, INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO DELMARVA POWER & LIGHT COMPANY, PEPCO HOLDINGS, INC., EXELON CORPORATION, EXELON ENERGY DELIVERY COMPANY, LLC, AND SPECIAL PURPOSE ENTITY, LLC

Jeremy Firestone 130 Winslow Road Newark, DE 19711 302 831-0228 (office/day) jf@udel.edu Pro Se

Intervenor Jeremy Firestone, pursuant to Delaware Public Service Commission Rules and the Scheduling Order in this matter, hereby directs the following requests for admission, interrogatories and requests for production of documents.

INSTRUCTIONS

- 1. Each request for admission and interrogatory solicits all knowledge and information that is available to Exelon or Pepco or obtainable through their agents, representatives, lobbyists, employees, investigators, attorneys, sureties, indemnitors, or any other person employed by or connected with it or subject to its control.
- 2. If an interrogatory has subparts, Exelon and Pepco must answer each subpart separately and in full and not limit its answers to the interrogatory as a whole.

- 3. If Exelon or Pepco cannot answer any interrogatory, or subpart thereof, to the extent possible, it is to explain why it is unable to answer further and state whatever information and knowledge it has regarding the unanswered portion.
- 4. If Exelon or Pepco objects to part of a discovery request and refuses to answer that part, Exelon shall state its objection and answer the remaining portion of the discovery. If Exelon or Pepco deems part, but not all, of any discovery request herein as objectionable or as calling for information that it claims is privileged or protected, then it shall provide all information, documents or things that respond to the parts or aspects of the discovery to which no objection or claim of privilege or protection is made. If, in response to these discovery requests, any ambiguity arises in construing any interrogatory, instruction or definition, or if any interrogatory, instruction or definition is considered vague, set forth the matter deemed ambiguous or vague and the construction used in responding.
- 5. In responding to these requests for production of documents, you are required to produce all documents, wherever located, in your possession, custody or control or otherwise available to you, including, without limitation, documents in the possession of your attorneys or their investigators, accountants, consultants, or associates whether past or present.
- 6. In the event a document, or portion thereof, is withheld for any reason, indicate the following information for each such withheld document, or portion thereof:
 - (a) The date of the document;
 - (b) The general character or type of document;
 - (c) The identity of the person in possession of the document;

- (d) The identity of the author of the document;
- (e) The identity of the recipient or holder of the document; and
- (f) The reason, including, but not limited to, any legal obligation or privilege for withholding the document, or portion thereof.
 - 7. These requests for admission and interrogatories shall be deemed continuing, and if Exelon or Pepco directly or indirectly obtains further information, the answer to these Interrogatories must be supplemented to the maximum extent authorized by the law within a reasonable time after Exelon and/or Pepco receives the additional information.
 - 8. If any document is withheld under claim of privilege, the privilege involved shall be stated and each document shall be identified by type of document, date, author, subject matter, recipients, and relationship of author to recipient, and a description sufficient to allow the court to determine the propriety of the privilege claim.
 - 9. For the convenience of the parties, please restate in full the discovery request to which each response or answer relates.

DEFINITIONS

- 2. "Exelon," means Exelon Corporation and Exelon Energy Delivery Company, LLC, and their subsidiaries, agents, lobbyists, employees, officers, directors, managers, commissioners, elected officials, assigns, representatives, attorneys and all persons acting or purporting to act on behalf of any of the preceding.
- 3. "Pepco" or "PHI" means Pepco Holdings, Inc. and Delmarva Power & Light Company, and their subsidiaries, agents, lobbyists, employees, officers, directors, managers,

commissioners, elected officials, assigns, representatives, attorneys and all persons acting or purporting to act on behalf of any of the preceding.

- 4. "Applicants," "You" or "Your" means "Exelon" or "Pepco".
- 5. "BGE" means Baltimore Gas and Electric Company.
- 6. "CEG" means Constellation Energy Group.
- 7. "Applicants," "You" or "Your" means "Exelon" or "Pepco".
- 8. "Person" means any natural person or any business, legal, or governmental entity or association.
- 9. The terms "person" or "persons" shall mean and refer to the plural as well as the singular of any natural individual, or any business, legal or government entity or association, including any firm, corporation, partnership, sole proprietorship, group, trust, estate.
 - 10. "PTC" shall mean Production Tax Credit
 - 11. "wind PTC" shall mean the PTC for wind power
- 12. "nuclear PTC" shall mean PTC for new nuclear power facilities placed in service before 2021 and adopted as part of the Energy Policy Act of 2005.
 - 13. "REC" shall mean renewable energy credit.
 - 14. "SREC" shall mean a solar REC
- 15. "Rock Island Clean Energy Line" shall mean the transmission line proposed by Rock Island Clean Energy Line, LLC.
 - 16. "RPS" shall mean Renewable Portfolio Standards.
 - 17. "Identify," "identification" or "identity" as applied to a person means to provide:
 - (a) When used in reference to a natural person: full name; present or last known business and residence addresses and telephone numbers; present or last known business

affiliation; and present or last known business positions (including job title and a description of job functions, duties and responsibilities);

- (b) When used in reference to any entity other than a natural person: its full name; the address and telephone number of its principal place of business; the jurisdiction under the laws of which it has been organized or incorporated; the identity of all persons who acted and/or who authorized another to act on its behalf in connection with the matters referred to; in the case of a corporation, the names of its directors and principal officers; and
- (c) In the case of an entity other than a corporation, the identities of its partners or principals or all persons who acted or who authorized another to act on its behalf in connection with the matters referred to.
- 18. The terms "identify," "identification" or "identity" as applied to an oral communication means to provide the following information:
 - (a) By whom it was made and to whom it was directed;
 - (b) Its specific subject;
 - (c) The date upon which it was made;
 - (d) Who else was present when it was made; and
 - (e) Whether it was recorded, described or summarized in any writing of any type and, if so, the identity of each such writing in the manner indicated below.
- 19. The terms "identify," "identification" or "identity" as applied to a written communication or document means to provide the following information:
 - (a) Its nature (e.g., letter, memorandum, telegram, note, drawing, etc.);
 - (b) Its specific subject;
 - (c) By whom it was made and to whom it was directed;

- (d) The date upon which it was made; and
- (e) Who has possession of the original copies.
- 20. "Communication" or "communications" means and refer to without limitation, any document, statement, or expression which constitutes, embodies, evidences or relates to any transmission of a word, statement, fact, thing, idea, writing, instruction, demand or question, whether oral or written, including but not limited to letters, telecopies, telexes, e-mails, voicemails, meetings, discussions, conversations, telephone calls, memoranda, conferences or seminars.
- 21. "Relating to" means containing, constituting, considering, comprising, concerning, discussing, regarding, describing, reflecting, studying, commenting or reporting on, mentioning, analyzing, or referring, alluding, or pertaining to, in whole or in part.
- 22. "Date" means the exact day, month and year, if ascertainable, or, if not, the best approximation (including relationship to other events).
- 23. The term "document" as used herein is employed in the broadest possible sense under the Commission's rules to include any medium upon which information is recorded or preserved, by whomever generated or received, and means, without limitation, any written, printed, typed, photostated, photographed, recorded, taped or otherwise reproduced communications, compilations or reproductions including computer generated or stored information or data, whether asserted to be privileged or not and including all copies or drafts of any document which differs (by annotation or otherwise) in any respect from the original.
- 24. Unless otherwise specifically stated, these Requests encompass documents, which were created, received, or generated or otherwise entered into your possession, custody, or control between January 1, 1998 and the present.

REQUESTS FOR ADMISSION

A. Directed to Exelon

- 1. There has been an overbuild of wind power capacity.
- 2. Exelon advocates for market-based approaches to electricity generation
- 3. Exelon opposes subsidies for land-based wind power.
- 4. Exelon opposes the wind PTC.
- 5. State RPS laws are subsidies.
- 6. State RPS laws are non-market based approaches.
- 7. RPS laws are a down payment toward a sound climate policy
- 8. Delaware's RPS is within the State of Delaware's right.
- 9. Exelon's purpose is to run a business and provide a return to shareholders while providing a product that consumers can use.
- 10. Exelon makes decisions to support or oppose modifications to RPS laws based on its private, commercial interests.
 - 11. RPS laws present a market and financial risk to Exelon.
- 12. Exelon makes decisions to support or oppose modifications to RPS laws based on its fiduciary obligations to shareholders.
- 13. Exelon is more interested in protecting the profitability of the large number of nuclear generation plants it owns than in advancing the interests of Delmarva Power ratepayers.
 - 14. RPS is a non-market based approach.
 - 15. Delaware RPS plays favorites.
- 16. Exelon did not support the Rock Island Clean Energy Line, LLC's request to the Illinois Commerce Commission to issue RICEL a Certificate of Public Convenience and Necessity.

- 17. The Rock Island Clean Energy Line if constructed would bring wind power to PJM.
 - 18. The Rock Island Clean Energy Line is merchant line.
 - 19. The Rock Island Clean Energy Line is a market-based transmission project.
- 20. Exelon is considering seeking regulatory approval of a transmission line that would require regulators to force ratepayers to finance that transmission line though higher electric bills.
 - 21. Exelon's transmission project is a non-market transmission project.
- 22. Exelon's "Big Wind" scenario evaluated in its 2011 update of its 2020 planned was named "Big Wind" in part to create a negative impression of the wind industry.
- 23. The PTC has resulted in more wind power capacity being installed than if the PTC was never adopted.
- 24. Renewing the PTC will result in more wind power capacity being installed than if the PTC is not renewed.
- 25. The spot market price of electricity is generally set by the marginal cost of supplying the next unit of electricity in a given hour.
- 26. The law of supply and demand means that if less wind power capacity is installed the price of electricity to consumers will be greater.
- 27. If less wind power capacity is built, the law of supply and demand means that the price of RECs will increase.
- 28. If less wind power capacity is built, there is an increased likelihood that the REC price cap under Delaware law will be exceeded.

- 29. If Exelon's position on the PTC prevails, Delmarva Power ratepayers will have to pay more to meet the REC obligation embodied in Delaware State Law than if it does not prevail
- 30. If Exelon's position on the PTC prevails, there is an increased likelihood that the REC price cap under Delaware law will be exceeded.
- 31. If Exelon's position on the PTC prevails, Delmarva Power ratepayers will have to pay more for electricity.
- 32. The benefits of electricity from renewable energy resources accrue to the public at large.
- 33. Electric suppliers and consumers share an obligation to develop renewable energy resources in the electricity supply portfolio of the state of Delaware.
- 34. If the Rock Island Clean Energy Line is built, wind power will cost less in PJM than if it were not built.
- 35. If the Rock Island Clean Energy Line is built, Delmarva Power ratepayers will have to pay less to meet the REC obligation embodied in Delaware State Law.
- 36. If the Rock Island Clean Energy line is built, there will be less coal generation in western PJM
- 37. If the Rock Island Clean Energy line is built, there will be less coal generation upwind of Delaware.
 - 38. Energy efficiency measures reduce electricity demand.
- 39. A reduction in demand for electricity reduces market prices for electricity, all other things being equal.
 - 40. Energy efficiency is not in the best interest of Exelon's shareholders.

- 41. When new wind power capacity is constructed in PJM and wind power is subsequently generated, all or most of the generation displaced is from coal, natural gas and oil-fueled plants.
- 42. When new wind power capacity is constructed in western PJM and wind power is subsequently generated, some of the fossil fuel generation displaced is upwind of Delaware.
- 43. When new wind power capacity is constructed in western PJM and wind power is subsequently generated, there are air quality benefits for Delaware.
 - 44. The PTC has benefited states beyond those that have mandatory RPS.
- 45. More than 10,000MW of installed capacity of wind power are in the eight states and two territories that have a voluntary RPS.
- 46. More than 3000MW of installed capacity of wind power in the states without voluntary or mandatory RPS.
 - 47. Siemens Wind Power is headquartered in Florida.
 - 48. Next Era Energy Resources is headquartered if Florida
 - 49. General Electric has a wind turbine manufacturing facility in South Carolina
 - 50. The large wind turbine drivetrain testing facility is in South Carolina.
 - 51. Neither Florida nor South Carolina has an RPS law.
 - 52. Many nuclear plants in France are load-following.
 - 53. Exelon's nuclear plants are not load-following.
- 54. If Exelon's nuclear plants were load-following, Exelon could mitigate harm caused to it by negative LMPs.
 - 55. Exelon supports laws and/or policies that subsidize nuclear power.
 - 56. Exelon supports the nuclear PTC.

- 57. The nuclear PTC is a non-market based approach.
- 58. The nuclear PTC is a subsidy.
- 59. Nuclear power is a mature industry.
- 60. The Price Anderson Act of 1957, as amended, results in lower prices for nuclear power.
 - 61. The Price Anderson Act of 1957, as amended, subsidizes nuclear power.
- 62. The Price Anderson Act of 1957, as amended, does not treat all carbon-free resources equally.
 - 63. Accelerated depreciation of new nuclear plants is a subsidy.
 - 64. Exelon supports loan guarantees for new nuclear plants.
- 65. Loan guarantees for new nuclear plants create an advantage for new nuclear generation.
 - 66. Nuclear power has social costs.
- 67. Exelon does not pay the fair market value for water for the majority of its thermal generation plants, including nuclear.
- 68. The operation of Exelon's thermal generation plants results in the entrainment and impingement of fish and fish larvae.
- 69. The environmental impacts of nuclear power are greater than the environmental impacts of wind power.
 - 70. Exelon supports subsidies for nuclear power.
 - 71. The organization "Nuclear Matters" was set up by Exelon.
 - 72. The organization "Nuclear Matters" is controlled by Exelon.

73. A purpose of the proposed all-cash transaction for PHI was to be able to exert greater influence on renewable energy policies in states within PJM.

B. **Directed to PEPCO**

- 74. Pepco supports the Delaware RPS law.
- 75. Pepco does not oppose renewal of the wind PTC.
- 76. Pepco supports more wind power capacity regardless of its effect on the profitability of nuclear generation.
- 77. Pepco supports more solar power capacity regardless of its effect on the profitability of nuclear generation.

INTERROGATORIES

- 3. With respect to every request for admission which you denied in whole or in part:
 - (a) State the facts that form the basis of your denial.
- (b) Identify each person, including natural person, with knowledge of the facts that form the basis of your denial.
 - (c) Identify any documents that you contend support your denial.
- (d) Identify any documents that may tend to undermine support for your denial.
- 4. With respect to every request for admission that you give lack of information or knowledge as a reason for failure to admit or deny:
- (a) Identify each person, including natural person, with knowledge related to the request for admission.
 - (b) Identify any documents related to the request for admission.

- 5. With respect to every request for admission that you object to in whole or in part, state the basis for each and every objection.
- 6. Of the total MWs of wind generation owned by Exelon, how many MW are at wind project that was commissioned prior to Exelon's ownership and how many MW are at a wind project that was commissioned during Exelon's ownership.
- 7. Please explain in detail the relationship between Exelon and Nuclear Matters, including any role Exelon played in setting up Nuclear Matters, the extent of funding and control Exelon exercises over Nuclear Matters, and why Exelon uses Nuclear Matters to advance nuclear power policy rather than or in addition to advancing nuclear power itself.
 - 8. Was the Pepco Board of Directors apprised of Exelon's positions on:
 - (a) The wind PTC;
 - (b) State RPS laws;
 - (c) The Rock Island Clean Energy Line
 - (d) Exelon's role in Nuclear Matters
- 9. Please identify and provide a detailed description of any communications or conversations Exelon has had with Pepco during the course of the merger discussions regarding wind power, the wind PTC or RPS laws.
- 10. Please identify and provide a detailed description of any communications or conversations or information relied on by Exelon's Board of Directors in consideration of the merger between Exelon and Pepco related to wind power, the wind PTC, state RPS laws or Exelon's nuclear power plants.
- 11. Please identify and provide a detailed description of any communications or conversations or information relied on by Pepco's Board of Directors in consideration of the

merger between Exelon and Pepco related to wind power, the wind PTC, state RPS laws or Exelon's nuclear power plants.

- 12. Please identify and provide a detailed description of any communications, including studies, that were not included in materials distributed to Exelon's Board of Directors, but were developed or occurred in support of presentations made, and provided to Senior Management on the merger between Exelon and Pepco related to wind power, the wind PTC, state RPS laws or Exelon's nuclear power plants.
- 13. Please identify and provide a detailed description of any communications, including studies, that were not included in materials distributed to Pepco's Board of Directors, but were developed or occurred in support of presentations made, and provided to Senior Management on the merger between Exelon and Pepco related to wind power, the wind PTC, state RPS laws or Exelon's nuclear power plants.
- 14. Did the Pepco Board of Trustees take into account in any manner Exelon's positions on any of the following when considering whether to merge with Exelon?:
 - (a) The wind PTC
 - (b) State RPS laws
 - (c) Transmission of clean energy
- (d) The relationship between wind energy and the profitability of Exelon's nuclear power plants.
- 15. If Pepco's Board of Trustees did take into account in any manner Exelon's positions on the wind PTC, State RPS law, transmission of clean energy or the relationship between wind energy and the profitability of Exelon's nuclear power plants, please identify in detail and explain how and when.

- 16. Did Pepco's Board of Trustees take into account, consider and/or determine that the merger would be fair to and in the best interests of ratepayers/customers?
- (a) If the answer is a qualified or unqualified "Yes," identify in detail and explain how and when it took such fairness and interests into account.
- (b) If the answer is anything other than an unqualified "Yes," identify in detail and explain why not.
- 17. Please identify and provide a detailed description of any communications, including studies, that have occurred as part of the merger integration, including those of the merger integration team, related to wind power, the wind PTC, or state RPS laws.
- 18. Please identify and provide a detailed description of any communications, including studies, that have occurred as part of the merger integration, including those of the merger integration team, related to Exelon's generation assets, including, but not limited to its, nuclear power plants.
- 19. Please identify and provide a detailed description and explain how, if at all, the merger integration team has taken into account customer/ratepayers interests in renewable energy in its integration decisions.
- 20. Considering existing Pepco practices on renewable energy generation, would you describe the merger philosophy as "retain as is"?
- (a) If the answer is anything other than an unqualified "Yes," identify the ways in which practices would change.
- 21. Considering existing Pepco practices on energy efficiency, would you describe the merger philosophy as "retain as is"?

- (a) If the answer is anything other than an unqualified "Yes," identify the ways in which practices would change.
- 22. Considering existing Pepco practices on demand response, would you describe the merger philosophy as "retain as is"?
- (a) If the answer is anything other than an unqualified "Yes," identify the ways in which practices would change.
- 23. For each of the following, Exelon identify the percentage generation in MWh/year for each of the past five years of Exelon-owned generation assets
 - (a) Nuclear
 - (b) Natural gas
 - (c) Coal
 - (d) Oil
 - (e) Hydropower
 - (f) Wind
 - (g) Solar
 - (h) Landfill gas
 - (i) Other
- 24. Explain the rationale for Pepco abandoning the integrated utility model with the sale of Conectiv.
- 25. With regard to the increase in total leaks repaired per 100 miles of main and service from 2012 to 2013 for Constellation, please indicate the reason for the more than 12 percent increase and indicate whether the increase was statistically significant.

- 26. Did Exelon support or oppose Senator Bingham's American Clean Energy Leadership Act of 2009, S. 1462? Please identify the reason(s) why. Who did Exelon hire as a lobbyist in regard to the same? What reports if any were prepared for Exelon?
- 27. Did Pepco support or oppose Senator Bingham's American Clean Energy Leadership Act of 2009, S. 1462? Please identify the reason(s) why. Who did Pepco hire as a lobbyist in regard to the same? What reports if any were prepared for Pepco?
- 28. Does Exelon support or oppose Senator Coon's Master Limited Partnerships
 Parity Act? Please identify the reason(s) why. Who did Exelon hire as a lobbyist in regard to the same? What reports if any were prepared for Exelon?
- 29. Does Pepco support or oppose Senator Coon's bill, Master Limited Partnerships Parity Act? Please identify the reason(s) why. Who did Exelon hire as a lobbyist in regard to the same? What reports if any were prepared for Pepco?
- 30. Does Exelon support or oppose Senator Carper's bill, Incentivizing Offshore Wind Power Act? Please identify the reason(s) why. Who did Exelon hire as a lobbyist in regard to the same? What reports if any were prepared for Exelon?
- 31. Does Pepco support or oppose Senator Carper's bill, Incentivizing Offshore Wind Power Act? Please identify the reason(s) why. Who did Pepco hire as a lobbyist in regard to the same? What reports if any were prepared for Pepco?
- 32. Please identify the total amount of tax credits that Exelon has claimed as a result of the wind PTC:
 - (a) Since its inception
 - (b) Since it began opposing the wind PTC.

- 33. Please identify the total amount of tax credits that Exelon estimates it will be able to claim as a result of the wind PTC in the future based on:
 - (a) Existing wind projects
 - (b) Wind projects under development
- 34. Has Exelon had any meetings or communications with US EPA regarding the proposed Clean Power Plant rule? If so, please identify and provide a detailed description of those communications, including any communication regarding structuring the final rule to protect the profitability of Exelon's nuclear power plant assets.
- 35. Does Pepco contend that Delmarva Power & Light will be able to meet the reliability commitments that are proposed in this docket if the merger does not occur?
- (a) If the answer is anything other than an unqualified "Yes," explain the basis for the response
- (b) If the answer is anything other than an unqualified "Yes," what Systems Average Interruption Disruption Index (SAIDI) within the Delaware operational area could be met by 2020 using the metrics proposed by Exelon?
 - 36. What is the direct value to Delmarva customers of:
- (a) The reliability improvement projects already announced by Pepco and/or underway
 - (b) The reliability commitments proposed by Exelon
- 37. With regard to the direct testimony of Dr. Tierney, p. 7, do you contend that Exelon and PHI did not need to submit the change in control of PHI to the jurisdiction of the Commission?

- (a) If the answer is anything other than an unqualified "No," explain the basis for the response.
- (b) If the answer is anything other than an unqualified "No," quantify the benefit to Delmarva Power & Light customers.
- 38. With regard to the direct testimony of Dr. Tierney, p. 8, explain how "maintaining" a local presence benefits Delmarva customers over what would result in the absence of Exelon's acquisition of PHI.
- 39. With regard to the direct testimony of Dr. Tierney, p. 8, explain how "honoring" existing collective bargaining contracts and other labor-related actions for at least the first two years is a benefit rather than a detriment over what would result in the absence of Exelon's acquisition of PHI.
- 40. With regard to the direct testimony of Dr. Tierney, p. 8, explain how "retaining" low-income assistance programs benefits Delmarva customers over what would result in the absence of Exelon's acquisition of PHI.
- 41. With regard to the direct testimony of Dr. Tierney, p. 8, explain how not seeking recovery of merger-related costs benefits Delmarva customers over what would result in the absence of Exelon's acquisition of PHI.
- 42. Identify each person you intend to call as a witness (expert or otherwise) in this proceeding.
- 43. Identify each person, including natural person, who in a material way participated in, supplied information to, or assisted the person verifying the answers to or signing the answers to admissions, answers to the interrogatories and requests for production of documents, including

those person(s) who have provided information for such answers and those persons who are sponsoring an answer, stating with specificity the answer(s) involved.

REQUESTS FOR PRODUCTION

- 25. Produce all documents related to a response to the interrogatory requests.
- 26. Produce a copy of the CV or resume of each person who is identified as the individual sponsoring pre-filed testimony and (b) a witness who is sponsoring pre-filed testimony but did not include a CV with the pre-filed testimony.

Jeremy Firestone August 29, 2014

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION)
OF DELMARVA POWER & LIGHT COMPANY,	
EXELON CORORPATION, PEPCO HOLDINGS) PSC DOCKET NO. 14-193
INC., PURPLE ACQUISITION CORPORATION,	
EXELON ENERGY DELIVERY COMPANY, LLC	
AND SPECIAL PURPOSE ENTITY, LLC	
FOR APPROVALS UNDER THE PROVISIONS	
OF 26 <i>Del</i> . C. §§ 215 AND 1016)
(FILED JUNE 18, 2014))

CERTIFICATE OF SERVICE

I hereby certify that on September 5, 2014, that I caused **INTERVENOR JEREMY FIRESTONE'S SECOND MOTION TO COMPEL DISCOVERY** to be served on all parties on the email service list by email attachment.

Respectfully submitted,

Jeremy Firestone 5 September 2014